



Increase to VMWare Licence Costs

MOPAC Investment Advisory & Monitoring meeting November 2024

Report by Ben Harrison on behalf of MPS Commercial Services

Part 1 This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC

EXECUTIVE SUMMARY

Authority's VMWare licencing has increased above the anticipated inflationary costs approved in the 23/24 consolidated paper (PCD1430). This paper requests approval for additional inflationary budget and approval to award a higher value contract.

Recommendations

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. The initiation of procurement action for a contract for Enterprise Agreement for VMWare Licencing with a total contract value of £5m and a term of 3 years and delegate approval to award contract to the Commercial Director.
2. Allocation of non-pay inflation uplift to the DDaT MTFP of £3.2M over the next five years to cover the additional costs of VMWare Licencing across the MPS estate.

Time sensitivity

A decision is required from the Deputy Mayor by 05/12/2024. This is because the existing agreement ends on 23rd December and so a new contract needs to be signed.

Non-confidential facts and advice to the Deputy Mayor for Policing and Crime

Introduction and background

1. Virtual Machines are deployed across the MPS for a variety of purposes and allow for a single physical machine to operate multiple operating systems and so better distribute compute resource amongst different requirements.
2. The VMWare Enterprise Licence Agreement was previously agreed in 2021 and ran for three years, over which time there was no cost increase to licencing.
3. Approval for a new three year Enterprise Licence Agreement was given in the IT Consolidated Contracts Paper for 2023/24 under PCD 1430 but the value contained does not sufficiently cover the costs due to the increase in unit pricing.

4. VMWare were acquired by Broadcom in December of 2023 and have redesigned the licencing model that was previously in place. This has resulted in substantially increased costs for the same licencing and support. The impacts of this are being felt across all of the VMWare customer base with minimal opportunity to mitigate the impact

Issues for consideration

5. This information is contained in the **restricted section of the report**.

Contributes to the New Met for London (NMfL) Plan and / or MOPAC Police & Crime Plan 2022-25¹

6. This business case aligns to the New Met for London plan through ensuring continued provision of VMWare capability to the MPS estate to ensure continuity of operations across a number of key platforms and applications. Without this licencing all technology currently being run using virtual machines would fail.

Financial, Commercial and Procurement Comments

7. The requirements will be procured via the Blue Light Commercial aggregation exercise for VMWare licences which provides discounting against list price costs.
8. It is expected that total costs for the three year Enterprise Licence Agreement will be £5m.
9. Funding for the requirements will be from the MOPAC approved DDaT budget with the requested uplift.

Legal Comments

10. The Mayor's Officer for Policing Crime is a Contracting Authority as defined in the Public Contracts Regulations 2015 ("the Regulations"). All awards of public contracts for goods and/or services valued at £214,904 (inclusive of VAT) or above will be procured in accordance with the Regulations.

Equality Comments

11. There are considered to be no negative equality or diversity implications arising from the award of this contract.

Privacy Comments

12. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.
13. Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for

¹ [Police and crime plan: a safer city for all Londoners | London City Hall](#)

organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

14. The Information Assurance and Information Rights units within MPS will be consulted at all stages to ensure the project meets its compliance requirements.
15. The project does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

Real Estate Implications

16. There are no real estate implications.

Environmental Implications

17. There are no environmental implications.

Background/supporting papers

18. Not Applicable

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Part 2 This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.

The Government Security Classification marking for Part 2 is:
OFFICIAL-SENSITIVE [COMMERCIAL]

Part 2 of Increase to VMWare Licence Costs is exempt from publication for the following reasons:

- Exempt under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011 (Data Protection Section 43 – Commercial Interests).

The paper will cease to be exempt until expiry of the award contracts.